

## Chargemaster Review List

As discussed in the handbook, there are myriad ways to review a hospital's chargemaster or the chargemasters for a system of hospitals. The following list is provided to help guide you in your approach to a chargemaster review. Note that some of these items may justify a separate review process.

1. Scope of review
  - a. Comprehensive – Entire chargemaster or master chargemaster for a hospital system
  - b. Limited – Specific departments or areas
  - c. Focused – Single department or type of service
  - d. Functional – Chargemaster as part of reimbursement cycle flow
  - e. Organizational – Chargemaster maintenance staff and reporting relationships
2. Review staff
  - a. Internal chargemaster personnel
  - b. Internal auditing staff
  - c. External consultants/auditors
  - d. Combination of internal and external reviewers
  - e. Outside third-party payer reviewers
  - f. Outside regulatory auditors
3. Review objectives
  - a. Compliance
  - b. Revenue enhancement
  - c. Combination of compliance and revenue enhancement
  - d. Organizational effectiveness
4. Chargemaster policies and procedures
  - a. Check proper documentation of chargemaster design issues
  - b. Review all current chargemaster policies and procedures
  - c. Check chargemaster policies and procedures interface to coding P&Ps and billing P&Ps
  - d. Check chargemaster policy and procedure decisions relative to cost reporting, cost accounting and charge structuring
5. Chargemaster as a static database
  - a. Current CPT/HCPCS codes
  - b. Presence of CPT/HCPCS modifiers
  - c. Accuracy and propriety of charge descriptions
  - d. Current/proper revenue codes
  - e. Line-item use (requires usage report)
  - f. Proper correlation of description, CPT/HCPCS and revenue code
6. Chargemaster as a dynamic lynchpin in reimbursement cycle
  - a. Review sampling of claim, itemized statement, and clinic record for proper claim generation
  - b. Review reimbursement levels relative to coding, billing, and charges
  - c. Check rejected or underpaid claims due to chargemaster issues
  - d. Check overall reimbursement cycle flow

7. Chargemaster to coding interface
  - a. Identify and verify coding interface for different service areas
  - b. Review coding policies and procedures relative to static coding through the chargemaster
  - c. Check for disconnects and/or double coding
  - d. Check for proper generation of codes on claims
8. Chargemaster to charges interface
  - a. Check hospital charge formulas and algorithms through written policies and procedures
  - b. Check for pricing consistency across common items in the chargemaster
  - c. Check charges relative to fee schedule payments (laboratory, DME, PT/OT, etc.)
  - d. Check cost-to-charge ratios relative to consistent pricing
  - e. Review geographic charge information as available
  - f. Check for proper device and expensive supply charges
  - g. Check for proper markup of pharmaceutical items
  - h. Check for patient complaints about improper charges (transparent pricing)
9. Chargemaster to charge capture interface
  - a. Check for charge capture process flow (varies by service area)
  - b. Check for training and competency of personnel entering charges
  - c. Look for services being provided or items dispensed with no charging
  - d. Visit service areas to review activities versus chargemaster structuring
10. Chargemaster to cost report interface
  - a. Check for proper categorization of charges within the cost report
  - b. Review cost-to-charge ratio structures for service areas
  - c. Review the interaction of cost report personnel with chargemaster personnel
11. Chargemaster to accounting interface
  - a. Check the general ledger accounting structure relative to the chargemaster structure (if any)
12. Chargemaster to cost accounting interface
  - a. Review chargemaster structure relative to cost accounting structure
  - b. Review cost-to-charge ratios relative to cost determination
  - c. Check any policies and procedures relative to the cost report
13. Chargemaster compliance issues
  - a. Supply categorization
  - b. Self-administrable pharmacy items
  - c. Consistent charge structuring
  - d. Charging for all services rendered and items supplied
  - e. Check charge bundling or packaging policies and procedures
  - f. Check for focused review and/or cease and desist letters
14. Chargemaster – Special utilization
  - a. Charge explosion – check for proper inclusion/exclusion and use for charge explosion line-items
  - b. Professional component billing through the chargemaster
    - i. Check for proper revenue code use
    - ii. Check for proper CPT/HCPCS codes
    - iii. Check for special modifiers (for example, non-physician practitioners)

- c. Statistical tracking line-item use
  - d. Check for proper archiving of the chargemaster under the HIPAA transaction standard/standard code set rule
15. Chargemaster change and updating analysis
- a. Review and assess chargemaster maintenance updating procedures
  - b. Review all recommended changes relative to:
    - i. Revenue generation
    - ii. Compliance policies and procedures
    - iii. Special training and charge-capture changes
  - c. Assess implementation of changes
    - i. Upload process into the chargemaster
    - ii. Modular change process
16. Chargemaster software and/or internet resources
- a. Review use of chargemaster software and associated knowledge bases
  - b. Review automated web-based updating procedures for the chargemaster
  - c. Review both front-end and back-end computer interfaces to the chargemaster for appropriate claims development and documentation of changes relative to the standard chargemaster
17. Chargemaster staff
- a. Review credential and experience of chargemaster staff
  - b. Assess effectiveness of interpersonal communications
  - c. Assess effectiveness as team players and team leaders
  - d. Assess writing abilities
  - e. Assess teaching skills